

Fiscal Issues with Mental Health Funding

Dwight Dively - Regional Law, Safety and Justice Committee – July 30, 2015

- The 2015-2017 State budget provides significant increases in mental health funding that are projected to meet needs for expanded programs, although a last-minute reduction in flexible funding is potentially problematic.
- The County's Mental Illness/Drug Dependency (MIDD) sales tax expires at the end of 2016. The Executive is working with stakeholders to develop a plan for a renewed tax and will submit a proposal to the County Council in the spring. This tax can be imposed by the Council and does not require a public vote. It is likely that some changes in the use of MIDD will be recommended, but no specific proposals have been developed.
- The County's General Fund budget faces chronic long-term financial challenges due to limitations on revenues. Unless these revenue limitations are changed, the County's very preliminary estimate is that the cost of continuing current services will exceed revenues by about \$40 million for the 2017/2018 biennium, which is about 2.5%.
- The General Fund's financial challenge is due in part to the end of MIDD "supplantation," which must occur in 2017. Some mental health programs are currently funded through MIDD supplantation, and it is not clear that the General Fund will be able to fund those programs starting in 2017.